

CUMBY TELEPHONE COOPERATIVE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Net margin	\$	
Adjustments to reconcile net margin to net cash provided by operating activities:		
Depreciation		
Gain on sale of securities		
Amortization of premium		
Change in assets and liabilities:		
Accounts receivable		
Prepays		
Accounts payable and accruals		
Deferred income tax		
Total Adjustments		
Net Cash Provided by Operating Activities		
Cash Flows from Investing Activities:		
Proceeds from sales of plant		
Capital expenditures		
(Investment in) proceeds from certificates of deposit		
Investment in marketable securities		
Proceeds from marketable securities		
Net Cash Used in Investing Activities		
Cash Flows from Financing Activities:		
Receipt of memberships		
Payment of capital credits		
Excise tax refund received		
Net Cash Used in Financing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents		
Cash and Cash Equivalents at Beginning of Year		
Cash and Cash Equivalents at End of Year	\$	

(The accompanying notes are an integral part of these consolidated financial statements.)

CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Note 1 – Description of Operations and Summary of Significant Accounting Policies:



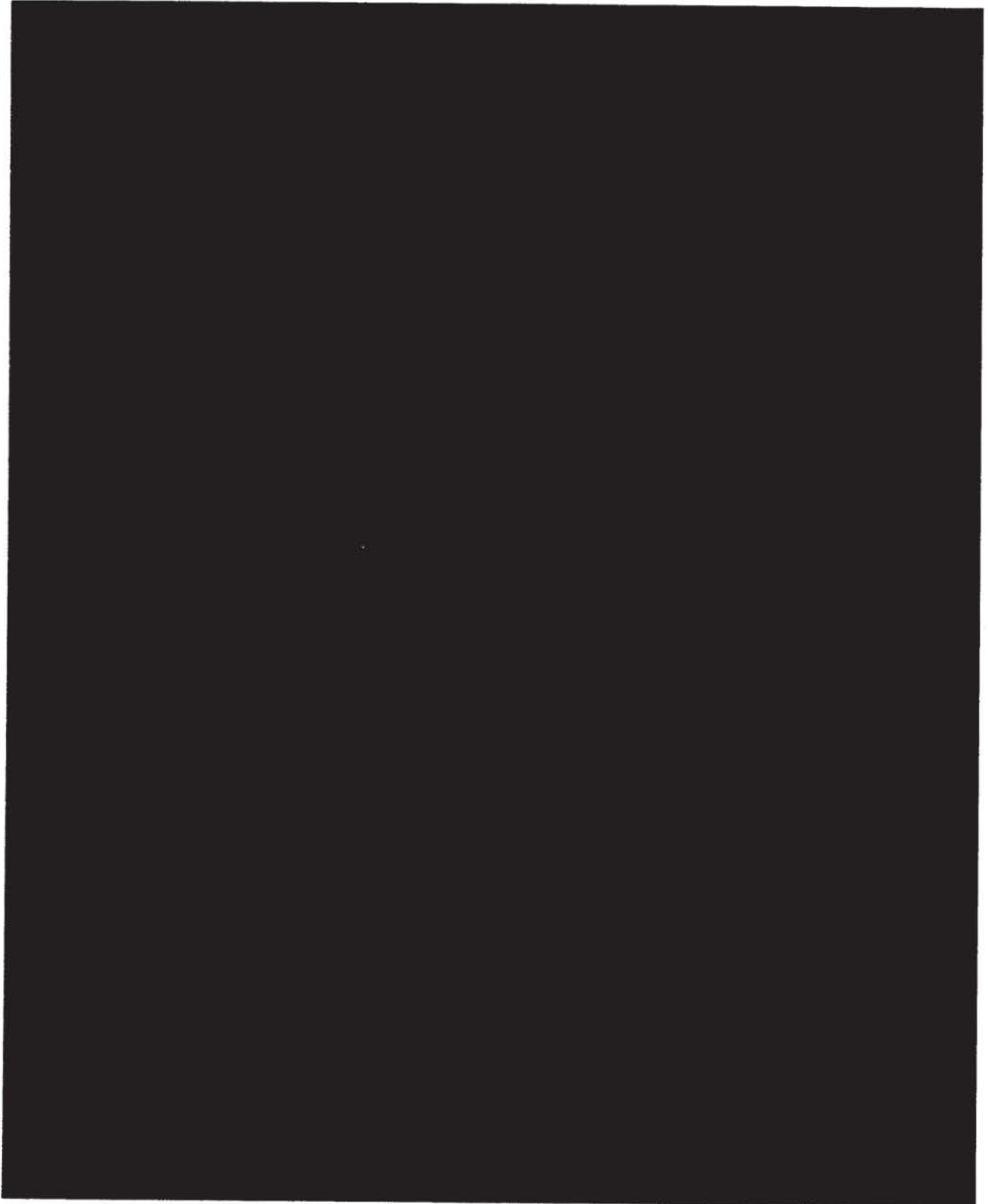
CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Note 1 – Description of Operations and Summary of Significant Accounting Policies: (continued)



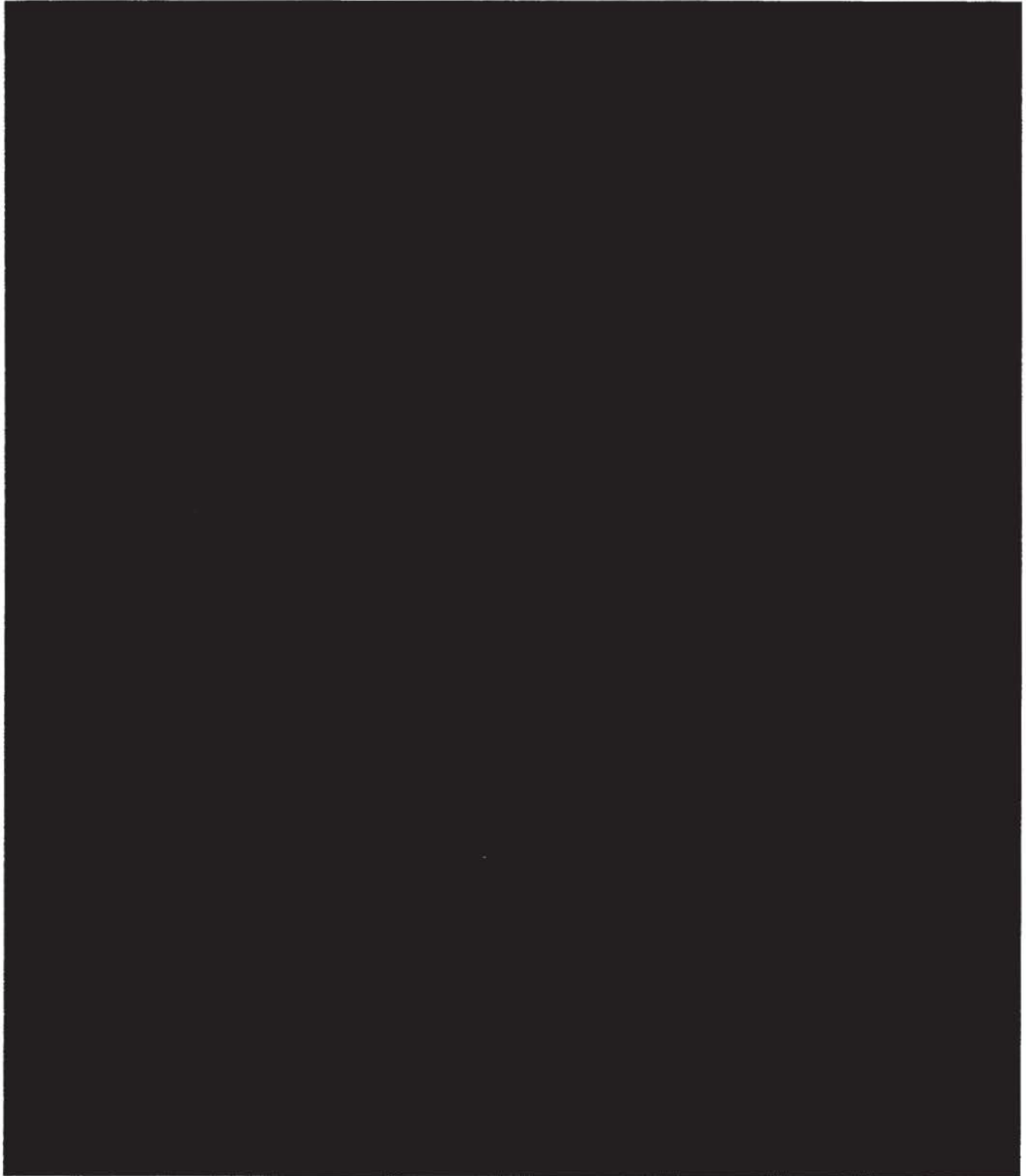
CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Note 1 – Description of Operations and Summary of Significant Accounting Policies: (continued)



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Note 1 – Description of Operations and Summary of Significant Accounting Policies: (continued)



**CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013**

Note 1 – Description of Operations and Summary of Significant Accounting Policies: (continued)



Note 2 – Marketable Securities and Other Cost Method Investments:



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Note 2 – Marketable Securities and Other Cost Method Investments: (continued)



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Note 3 – Property, Plant, and Equipment:



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Note 5 – Accumulated Other Comprehensive Income: (continued)



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Note 5 – Accumulated Other Comprehensive Income: (continued)



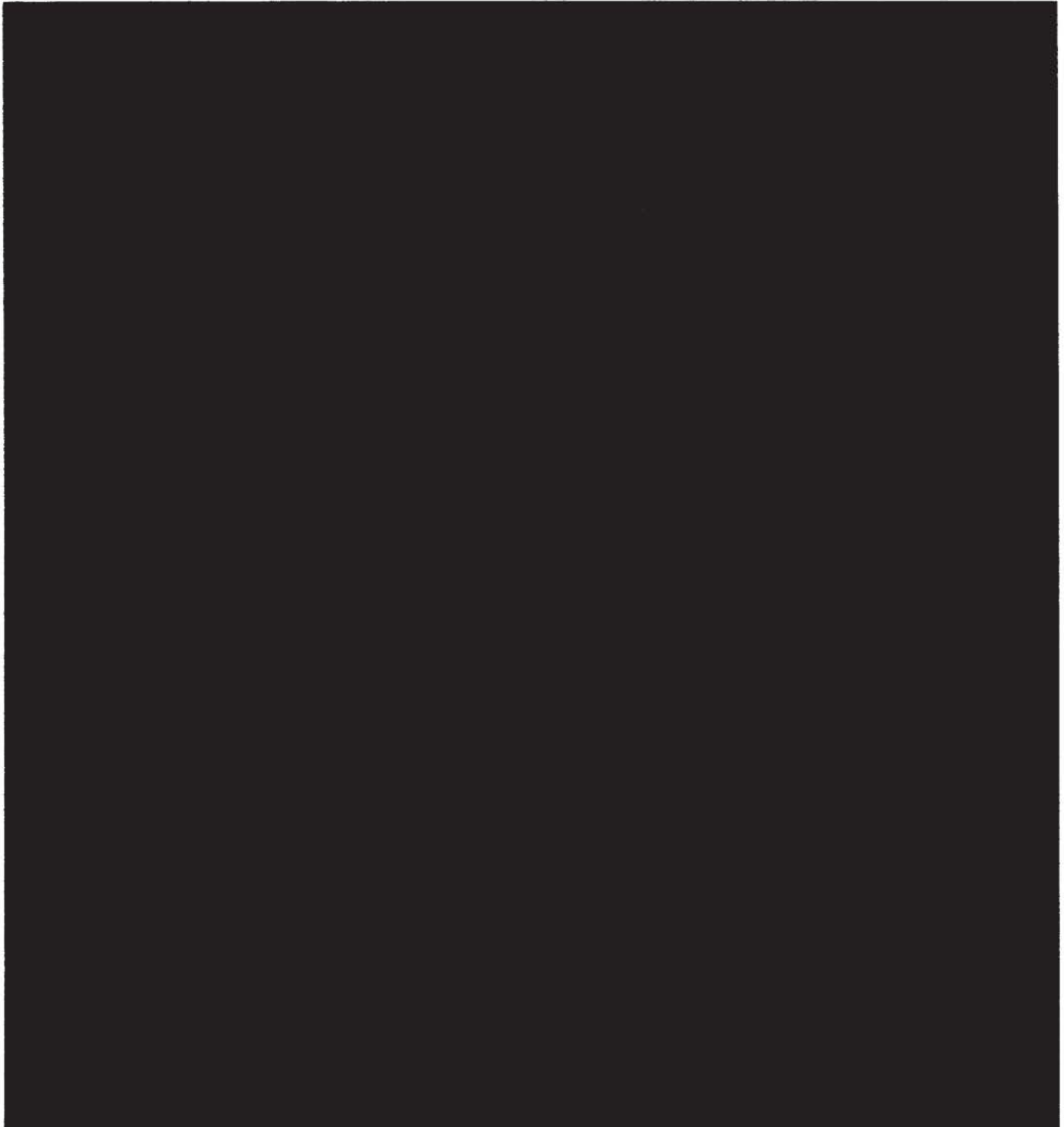
CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Note 6 – Income Taxes:



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Note 7 – Employee Benefits: (continued)



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Note 7 – Employee Benefits: (continued)



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Note 7 – Employee Benefits: (continued)



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

Note 9 – Concentrations: (continued)

[REDACTED]

Note 10 – Fair Value Measurements:

[REDACTED]

Note 11 – Subsequent Events:

[REDACTED]

Note 12 – Change in Accounting Principle:

[REDACTED]

SUPPLEMENTARY INFORMATION

CUMBY TELEPHONE COOPERATIVE, INC.
COMPARATIVE BALANCE SHEETS
December 31

	Assets			
	Cumby		PTC	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current Assets:				
Cash and cash equivalents	\$			
Certificates of deposit				
Marketable securities				
Telecommunications accounts receivable				
Other receivables				
Materials and supplies				
Prepayments				
Accounts receivable - affiliates				
Total Current Assets				
Property, Plant, and Equipment:				
Plant in service				
Plant under construction				
Total Property, Plant, and Equipment				
Less: Accumulated depreciation				
Net Property, Plant, and Equipment				
Investments and Other Assets:				
Cellular investments				
Intangibles				
Investment in subsidiary				
Other assets				
Total Investments and Other Assets				
Total Assets	\$			

CUMBY TELEPHONE COOPERATIVE, INC.
COMPARATIVE BALANCE SHEETS
 December 31

Liabilities and Equity				
	Cumby		PTC	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current Liabilities:				
Accounts payable	\$			
Accounts payable - affiliates				
Accrued income tax				
Other accrued liabilities				
Unearned revenue				
Total Current Liabilities				
Other Liabilities:				
Deferred income tax				
Accrued postretirement benefits				
Total Other Liabilities				
Equity:				
Memberships				
Retained margin				
Patronage capital assignable				
Accumulated other comprehensive income:				
Unrealized gain on marketable securities				
Unrecognized postretirement benefit costs				
Partners' Capital				
Total Equity				
Total Liabilities and Equity	\$			

CUMBY TELEPHONE COOPERATIVE, INC.
COMPARATIVE STATEMENTS OF OPERATIONS
For the Years Ended December 31

	Cumby ILEC		Cumby CLEC		Cumby Total		PTC	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Operating Revenues:								
Local network services	\$							
Network access services								
Long distance network services								
Internet services								
Miscellaneous								
Uncollectible expense								
Total Operating Revenues								
Operating Expenses:								
Plant specific operations								
Plant nonspecific operations								
Depreciation								
Customer operations								
Corporate operations								
Total Operating Expenses								
Operating Taxes:								
Income tax (benefit) expense								
Operating taxes								
Total Operating Taxes								
Operating (Loss) Margin								
Nonoperating Margin:								
Interest and dividend income								
Equity in net income of subsidiary								
Distributions from partnerships								
Other nonoperating expense								
Income tax expense								
Total Nonoperating Margin								
Net Margin	\$							

SUPPLEMENTARY INFORMATION - See Independent Auditor's Report.

CUMBY TELEPHONE COOPERATIVE, INC.
COMPARATIVE STATEMENTS OF CASH FLOWS
For the Years Ended December 31

	Cumby		PTC	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:				
Net margin	\$			
Adjustments to reconcile net margin to net cash provided by operating activities:				
Depreciation and amortization				
Equity in net income of subsidiaries				
Distributions from subsidiaries				
Gain on sale of securities				
Amortization of premium				
Change in assets and liabilities:				
Accounts receivable				
Prepays				
Accounts payable and accruals				
Deferred income tax				
Total Adjustments				
Net Cash Provided by Operating Activities				
Cash Flows from Investing Activities:				
Proceeds from sales of plant				
Capital expenditures				
Investment in marketable securities				
Proceeds from marketable securities				
Proceeds from (investments in) certificates of deposit				
Net Cash Used in Investing Activities				
Cash Flows from Financing Activities:				
Advances from (to) affiliate				
Receipt of memberships				
Payment of capital credits				
Excise tax refund received				
Dividends paid				
Net Cash (Used in) Provided by Financing Activities				
Net Increase (Decrease) in Cash and Cash Equivalents				
Cash and Cash Equivalents at Beginning of Year				
Cash and Cash Equivalents at End of Year	\$			

SUPPLEMENTARY INFORMATION - See Independent Auditor's Report.